

UNAPPROVED MINUTES
CITY OF MILPITAS

RA3

Minutes: Regular Meeting of Milpitas Redevelopment Agency (Including
Joint Meeting with City Council)
Date of Meeting: September 16, 2003
Time of Meeting: 8:16 p.m.
Place of Meeting: Council Chambers, City Hall

**RA1.
CALL TO ORDER**

Mayor Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 8:16 p.m.

**RA2.
ROLL CALL**

Present were Mayor Esteves, Vice Mayor Dixon, and Agency/Councilmembers Gomez and Polanski. Agency/Councilmember Livengood was absent.

**RA3.
MINUTES**

MOTION to approve the Redevelopment Agency minutes of September 2, 2003, including joint meeting with the City Council, as submitted.

M/S: Gomez, Dixon. Ayes: 4 Absent: 1 (Livengood)

**RA4.
AGENDA**

MOTION to approve the agenda and consent calendar as submitted.

M/S: Gomez, Polanski. Ayes: 4 Absent: 1 (Livengood)

**RA5.
UNAUDITED FINANCIAL
REPORT FY ENDED 6-30-02**

Finance Director Emma Karlen reported the Finance Department recently closed out various funds for Fiscal Year 2002/03 in preparation for the annual audit, preliminary data was now available to provide the Council with an overview of the General Fund financial status as of June 30, 2003, staff did not expect the audit would change in any substantial way, and the audit results would be presented to the Council in November. Ms. Karlen further reported the results showed that total revenue and other financing sources were approximately \$830,000 below budget; about \$3.2 million of General Fund reserves would be utilized to close out the year; cost savings City-wide for the General Fund were approximately \$8.3 million; and instead of using \$6.1 million of the Reserves as originally projected, \$3.2 million would be used. Ms. Karlen, using a PowerPoint presentation, reviewed the revenue shortfalls and savings.

City Manager Wilson said he wanted to take this opportunity to thank the entire organization because, as Ms. Karlen indicated, there was good and bad news in this report; the bad news was that we do not have the ability to control the economy other than encourage people purchasing in the community and so we have been ultimately victims of the recession, which has been particularly difficult for the Bay Area; the good news was that we can control the expenditure side; and with an incredibly reduced budget, what the unaudited figures showed was that the organization responded dramatically and instead of expending, as the Council had approved, potentially \$6.1 million of reserves, only a little over \$3 million of reserves would be spent. Mr. Wilson further stated this was an incredible accomplishment and thanked all the departments, the department leadership, and every employee for their contributions geared to providing a continuing high level of services within the most efficient means possible that made it possible during very difficult circumstances to have the comfort that we are going to be able to manage, to continue services, and actually maintain reserves to the higher level. Mr. Wilson explained the \$1 million of extra savings in relation to personnel costs was based upon shrinkage of the organization and to new vacancies that were frozen across the organization, meaning that staff is doing more with fewer people and fewer economic resources. Mr. Wilson said he wanted to take this opportunity to congratulate the entire organization and, in particular, focus on the leadership from all the Department Directors and Supervisors.

Vice Mayor Dixon said she thought a lot of the credit should go to the top administration and that was the City Manager, Mr. Wilson, and Mr. Blair King, the Assistant City Manager, and to Ms. Emma Karlen, Finance Director; she was quite astounded to see that the amount was half of what was expected; having just come back from Sacramento listening to colleagues up

and down the State, cities are hurting and many cities were just now going into the freezing of positions, laying off people, doing away with and reducing services; and Milpitas has not had to do any of that except freeze positions. Vice Mayor Dixon thanked staff and Mr. Wilson, in particular, because he provided the Council with the guidance to have the courage to make a lot of decisions.

Mayor Esteves inquired if, after the audit was complete, it would be possible to have some type of financial score card or benchmarks established for the City to know how good we are doing. Ms. Karlen responded the Council would be provided with benchmarks, noting that it was part of the budget document.

MOTION to note receipt and file.

M/S: Polanski, Dixon.

Ayes: 4

Absent: 1 (Livengood)

***RA6.
TRAVEL REQUEST**

Approved out-of-state travel request for the Mayor, Vice Mayor, City Manager, Assistant City Manager, and the Finance Director to travel to New York City for presentations of the Redevelopment Agency's proposed 2003 tax allocation bond issue to financial rating organizations and bond insurers on September 30th, with meeting days of October 1 and 2, and a return travel day on October 3.

***RA7.
OWNER PARTICIPATION
AGREEMENT PARC NORTH**

Adopted Resolution No. RA214 of the Redevelopment Agency approving the execution of an Owner Participation Agreement with Parc North Associates LLC and making certain findings.

**RA8.
ADJOURNMENT**

There being no further Redevelopment Agency business, Mayor Esteves adjourned the Redevelopment Agency meeting at 8:32 p.m.

Gail Blalock
Secretary/City Clerk